



THE

MARCH-APRIL 2012

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## HESTER DECORATING WINS PDCA PIPP AWARD!

FCAC Member, Hester Painting & Decorating, was recognized with a "Picture it Painted Professionally" (PIPP) award from the National PDCA (Painting and Decorating Contractors of America) during its 2012 Painting & Decorating Expo convention, held on February 19-22 in Las Vegas.

Hester's challenging warehouse project had a very limited time frame with a large scope of work, including coating the 100,000 square foot corrugated metal ceiling and 32,000 square feet of pre-cast tilt up walls and columns. Hester Painting & Decorating kept safety a top priority, due to the size of equipment and scissor platform lifts needed to complete this massive project.



Congratulations from the FCAC Association to Steve and the Hester Painting & Decorating team for a job well done and now recognized by National PDCA. PDCA hosts its prestigious award program to recognize the best performances and most outstanding projects in the coatings application industry by individuals and contracting company members of PDCA.

*CEO Richard Greene (left) and PDCA Chair, Darylene Dennon (right), presented Jeff and Steve Hester (Hester Painting & Decorating) with a PIPP Award for recognizing project excellence and superior craftsmanship.*

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### Chicago PDCA Golf Classic

Friday, June 15, 2012  
Schaumburg Golf Club, Schaumburg



A Few Words From ...

**JEFF HESTER**  
President, FCA of Chicago

As I look at the Calendar, it's hard to believe we are already past the first quarter of a new business year. The weather this year has been as unpredictable as the economy! With that said, we now move into Spring and Summer... and into our busiest work season. I know that all Contractors have been working harder than ever to keep their painters working as much as possible. We also must keep in mind the \$2.00 rate increase scheduled for June 1st.

I also want to keep everyone informed on some exciting things FCAC has been doing in the past two months. As most of you know, last year the Associates raised \$10,000 at the Golf Outing, which was put to good use in a Charitable Painting Project at the Cornerstone Outreach Center in Chicago. In turn, our team just presented that project for consideration to the Chicago Building Congress "Merit Awards" competition. Clark Johnson (FCAC/DC14 Director of Marketing), Tom Moore (J.C. Licht/Epcoco Paint), Andrew Winter (Cornerstone), Rich Volkmer (FCAC), and myself made the presentation.

Our Board has also addressed the Out-of-Area issues with DC14 and DC30. After meeting with both District Councils and the FCAI and FCAC Boards, new rules have been established. We will share them with you once they have been organized on paper to make it easier for DC14 Contractors to comply with the agreed upon guidelines for working in either jurisdiction.

I saw many Contractors at the March 21<sup>st</sup> Associates Night at the Rosewood Restaurant and want to thank the Associate Members and

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# Construction Markets Move (Slowly) in the Right Direction

by Bob Miodonski

**L**et's look at what to expect in 2012 for the construction markets. We'll do that in two parts, first considering general trends, then turning to specific markets.

**S**tarting with good news, as we begin 2012, the U.S. construction industry exceeds \$830 billion and is trending upward. The construction industry may grow 6% this year from 2011, even as demand for trade contractors improves. It remains a "people business" wherein relationships still matter.

**O**verall, however, the construction industry remains mired in a long and frustratingly slow recovery in 2012. Trade contractors may see an uptick in business, but the market will not quickly return to the better times of 2005-2008.

**A**mong the challenges contractors face in 2012:

- Difficulty securing project financing.**
- Limited construction demand.**
- Difficulty finding superstar talent.**
- "Hypercompetitive" pricing practices.**

**A**lthough traditional relationships still count, price has become the basis of more buying decisions. For many contractors, this means finding ways to become more efficient and lower costs. To improve their productivity, contractors must adopt practices including:

- BIM (building information modeling).**
- Prefabrication.**
- Integrated project delivery.**
- Lean project delivery methods.**
- Investment in equipment, tools and technology that drive productivity.**
- Leadership development programs for field managers.**
- Strategic approaches to buying material.**

**I**n short, changing times and the "new normal" now have trade contractors making serious changes to the way they manage and run their businesses. Such changes do lower contractor costs and help position them to take advantage of growing market sectors.

**T**he best news comes in residential construction, with 12% projected

growth this year, led by stronger multi-family construction, action on home improvements, and better single-family housing starts. The news is even better for the Central states of Illinois, Indiana, Wisconsin, Michigan, and Ohio, where residential construction may hit 15% growth this year.

**O**n the non-residential side of the building industry, FMI 2012 forecasts include:

**Office buildings: With office construction being so dependent on employment, it will take several years until there is enough employment growth to spur significant new construction. That said, office construction is expected to increase slightly this year both nationally and regionally after a 32% drop in 2010 and another 5% decline in 2011. In this region, office construction is predicted to increase 4% in 2012.**

**Lodging: Green buildings certainly are playing a role in this sector where the major activity in hotels over the last year has been refinancing and renovating existing properties. Retrofits and remodels that help hotels save energy and water are becoming commonplace. Our region will grow 3% in this sector this year, just below the national average.**

**Commercial construction: This sector also is expected to increase 3% this year in our region. Commercial construction generally lags residential by 12 to 18 months. Some trends to watch are:**

- **Open-air shopping centers replacing enclosed malls.**
- **Vacant big-box stores undergoing renovations, such as repositioning for health care and educational purposes.**
- **Discount and food retailers having major expansion plans for price-conscious shoppers.**

**Amusement and recreation: Construction activity in this sector also is predicted to increase 3% this year. Casinos were hard hit during the recession but meanwhile stadium construction has been strong.**

**E**ducation: Construction is expected to increase 4% after a 13% drop in 2010 and a 2% dip last year. Up to \$25 billion could be spent on modernizing public schools plus another \$5 billion for community colleges.

**H**ealth care: While the 3% growth forecast nationally for this year seems small, health care construction remains at a historically high level. As with school construction, health care activity in our region is expected to come in below the national average: 2% higher here vs. 3% in the rest of the United States.

**M**anufacturing: This sector has been among the hardest-hit, with a 33% drop in construction in 2010, another 6% slide in 2011, and a 2% loss predicted for 2012. Unfortunately, the outlook for our region is worse than the national outlook. Manufacturing is expected to be off 3% here.

**R**eligious: Construction in this sector may decline by 4% in 2012 in our region. Religious construction frequently is the first sector to drop off during an economic downturn. In this economy, getting loans is a very big challenge for many congregations, and churches are currently experiencing large declines in their contributions.

**S**ewage and waste disposal: Public utility construction is expected to increase at a faster pace than the overall economy through 2015 after a drop of 2% last year. In our region, it should be flat in 2012 compared to last year.

**W**ater supply: After a 2% dip in 2011, construction in this sector is predicted to rise 4% nationally this year. In our region, water construction is supposed to be off slightly from 2011 – down 1% from last year. Emphasis on green building technology and water efficiency will continue, with particular attention to clean water.

**W**hile recovery this year will be slower than anyone would like ("frustratingly slow"), construction activity in most sectors indicates we're inching along in the right direction. There will be work out there, especially for the progressive contractor who stays ahead of market changes and follows the opportunities.

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*Bob Miodonski is BNP Media Plumbing Group Publisher and Plumbing & Mechanical Editor. This article was condensed from an address at PAMCANI, the Plumbing & Mechanical Authority of Northern Illinois.*

# 2012 ASSOCIATES NIGHT!



**March 21, 2012**  
**Rosewood Restaurant**

*Over one hundred forty guests attended the annual PDCA Associates Night Trade Show, visiting 27 booths to view the latest products and services offered by member vendors in the Chicago market. This year's event featured a hearty buffet-style dinner and music and trivia contest questions provided by "Music Man" DJ, Rick Storto.*

*Last year's popular Silent Auction made a repeat appearance with dozens of items to bid on, thanks to the generosity of our Associate Members and Attorney Jim Vanek; Marketing Director, Clark Johnson; Rich Volkmer, and The Greek Islands, Maggiano's Little Italy, and The Rosewood Restaurant!*

*Jessica Helmer (All-Tech Decorating) was the lucky winner of the \$500.00 cash Grand Prize, while John Sepulveda (Lankford Painting) won a \$100 AMEX Gift Card, Scott Valle won a \$50 Best Buy Gift Card, and, for the second year in a row, Jeff Castles won an iPod!*



**Associates Night 2012**



Janisse Merelos and her Staff at the FCAC office for putting on a spectacular event. Those Contractors who did not attend missed a great opportunity to learn about the new products and to discuss our industry and our future with fellow contractors.

**S**o...don't forget the next event coming up on our schedule...the PDCA Golf Outing planned for June 15, 2012, at the Schaumburg Golf Club. Everyone should plan to attend...you'll enjoy a fantastic day of golf and fun, and rub shoulders with fellow Contractors. This is a grand occasion every year, maybe your best opportunity to meet informally with our

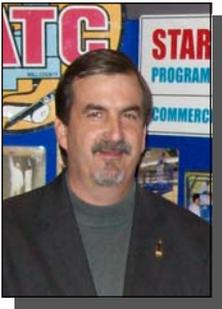
FCAC Board Members and our PDC14 Labor Management Partners. Sign up NOW at [www.chicagopdca.org](http://www.chicagopdca.org)!

**I**wish to use this platform now to solicit any and all suggestions on how we, as your FCAC Board, can help you and your Company do more business or run more efficiently by discussions on issues that may arise with our Labor Partners at DC14. We also need to know what sort of Educational Programs interest our FCAC Contractor Members. Anything is possible, we just want to know what topics would benefit our Contractor Members. Please feel free to contact me with any ideas you may have.

**I**n closing, I hope everyone understands that the FCAC Board takes the future of our Association very seriously. We know where we came from and what our present status and prospects are...but at this time simply must chart a creative and aggressive new course to where we need to go. We therefore seek strong ideas from both our Board and Members...and need your input and ideas to move our industry forward again toward a bright and prosperous future for all Contractors and Associates.

Until Later,

*Jeff*



## News From The Apprentice School...

### By ED BOGDAN, Apprentice Training Coordinator

Financial Reports for February, 2012, indicate that Ordinary Income of \$131,511.84 plus Investment Income of \$46,234.70 minus Expenses of \$244,714.21 yielded a Net Income of (\$66,967.67).

For the Fiscal Year-to-Date, Income of \$282,162.04 plus Investment Income of \$125,038.50 minus Expenses of \$332,310.62 yielded a Total Net Income of \$74,889.92. The JATC Fund Value as of 02/29/12 was \$4,755,946.62.

**CONGRATULATIONS TO THE APPRENTICE CLASS OF 2011 WHO HAD THEIR GRADUATION DINNER ON 4/20/12!**

## WELFARE FUND REPORT

Trustee Scott Hall reports for the Health & Welfare Fund for February, 2012, that Income of \$2,497,030.37 plus Investment Income of \$1,527,688.17 minus Expenses of \$4,053,717.07 yielded a Net Income of (\$28,998.53).

For the Fiscal Year-to-Date, Income of \$31,781,928.85 plus Investment Income of \$2,273,311.49 minus Expenses of \$28,885,466.99 have yielded a Net Income of \$5,169,773.35.

The Fund Value as of 02/29/12 was \$99,829,003.57.

## PENSION FUND REPORT

Trustee Miles Beatty reports for the Pension Fund for February, 2012, that Ordinary Income of \$1,843,961.87 plus Investment Income of \$10,688,049.17 minus Expenses of \$3,174,983.05 yielded a Total Net Income of \$9,357,027.99.

For the Fiscal Year-to-Date, Income of \$31,505,533.60 plus Investment Income of \$9,748,209.61 minus Expenses of \$35,595,024.84 have yielded a Net Income of \$5,658,718.37.

The Fund Value as of 02/29/12 was \$548,714,288.68.

## EPA Fines RRP Violators

The Environmental Protection Agency (EPA) announced three enforcement fines for violations of the Lead Renovation, Repair and Painting Rule (RRP) and other lead rules. The RRP rule requires the use of lead-safe work practices to ensure that common renovation activities such as sanding, cutting, and demolition (which can create hazardous lead dust) are conducted properly by trained and certified contractors or individuals. The RRP rule took effect on April 22, 2010.

Cynthia Giles, assistant administrator for EPA's Office of Enforcement and Compliance Assurance, notes that, "Exposure to lead causes serious health problems and affects our most vulnerable population, our children. By taking action to enforce lead rules we are protecting people's health and ensuring that businesses that follow the rules have a level playing field."

On March 21, 2012, Colin Wentworth, a rental property owner who was responsible for building maintenance, agreed to pay \$10,000 to resolve violations of the RRP rule. The complaint alleged that Mr. Wentworth's workers violated the rule by improperly using power equipment to remove paint from the exterior surface of an 1850's apartment building he owns in Rockland, Maine. The complaint also alleged that the workers had not received any training under the rule and that Mr. Wentworth had failed to apply for firm certification with the EPA. Because lead dust had not been properly contained, residents were exposed and the dust could have also contaminated the ground surrounding the apartment building. Two of the four units in the building were occupied by recipients of U.S. Department of Housing and Urban Development Section 8 vouchers including at least four children under the age of 18 and one under the age of six. The Maine Department of Environmental Protection and the Occupational Safety and Health Administration (OSHA) also responded to the alleged violations.

On March 20, 2012, Valiant Home Remodelers, a window and siding company, agreed to pay \$1,500 to resolve violations from failing to follow the RRP rule during window and siding replacement at a home in Edison, New Jersey. Valiant failed to contain renovation dust, contain waste, and train workers on lead-safe work practices.

On February 21, 2012, Johnson Sash and Door, a home repair company located in Omaha, NE, agreed to pay a \$5,558 penalty for failing to provide the owners or occupants of housing built prior to 1978 with an EPA-approved lead hazard information pamphlet or to obtain a written acknowledgment prior to commencement of renovation activities at five homes. The complaint also alleged that Johnson failed to obtain initial certification prior to performing renovations at these residences.

As required by the law, a company or individual's ability to pay a penalty is evaluated and penalties are adjusted accordingly. These recent enforcement actions illustrate the EPA's focused effort to gain compliance from contractors and individuals regarding RRP requirements and other lead rules to protect public health from exposure to lead. Lead exposure causes a range of health problems, from behavioral issues and learning disabilities to seizures and death. It puts young children at the greatest risk, for their nervous systems are still developing.

# 2012



## FCAC & PDCA Meetings & Events

Chicago PDCA Golf Classic  
Friday, June 15, 2012  
Schaumburg Golf Club, Schaumburg

General Membership Meeting  
Wednesday, September 12, 2012  
Maggiano's Little Italy, Chicago

Tradeshow at the Trade School  
Saturday, September 22, 2012  
JATC Apprentice Training Center, Berkeley



## It's CASINO NIGHT at the Benjamin Moore Pro Show!

Wednesday, June 13, 2012 - 5:00 PM to 8:30 PM  
Donald E. Stephens Convention Center  
5555 N. River Road, Rosemont, IL

- Free Food & Refreshments!
- Special Offer Show Pricing!
- Lots of Prizes!